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Renewable Energy Outlook

Ensuring the Viability of Large-Scale Renewables After the Era of Stimulus

February 15, 2012

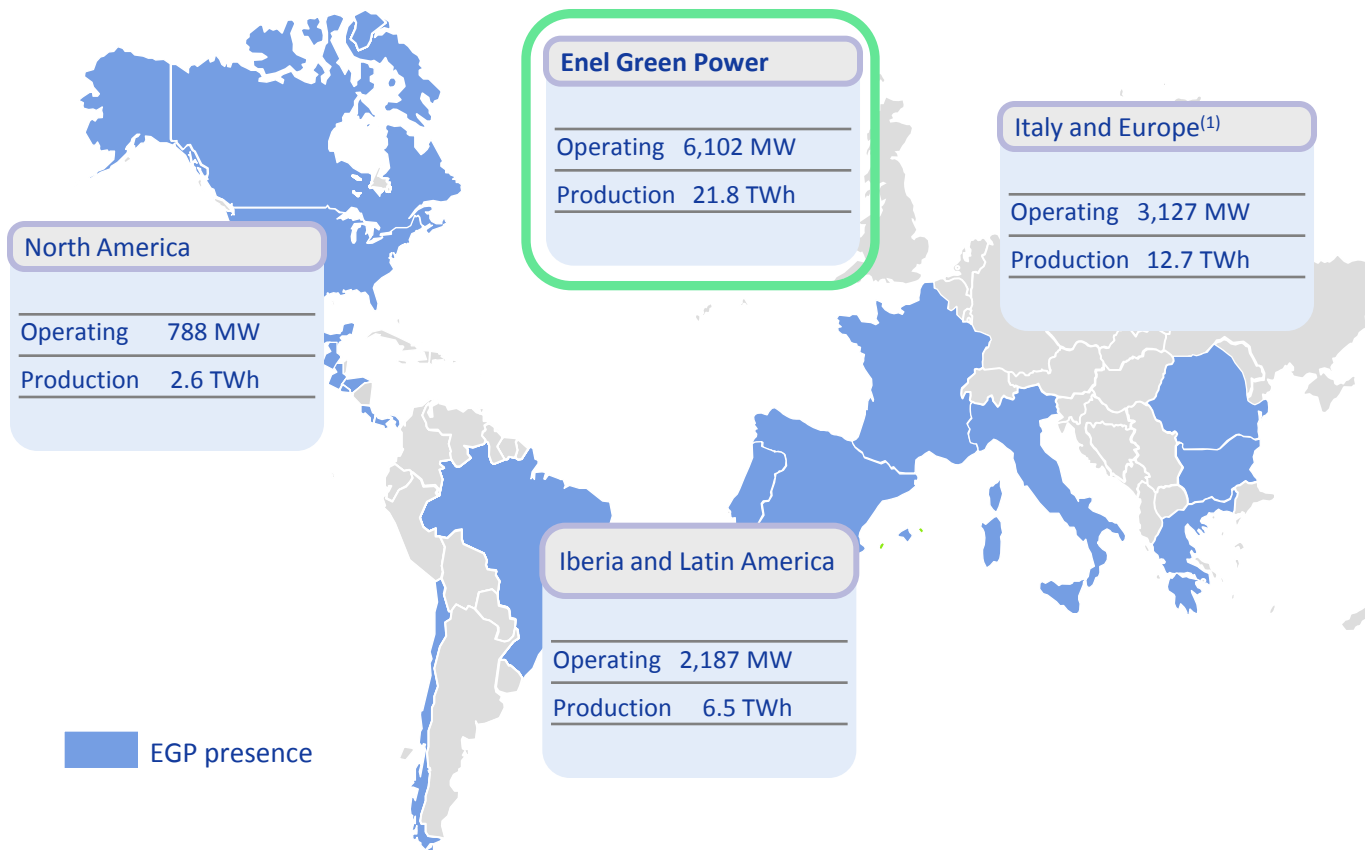
David J.A. Post

Head of Business Development – Region West

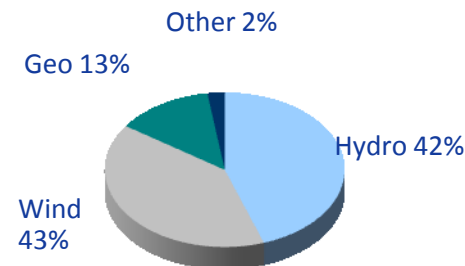


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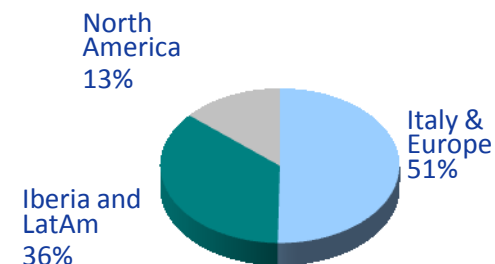
A global leader in renewables



Installed capacity by technology 2010



Installed capacity by area 2010

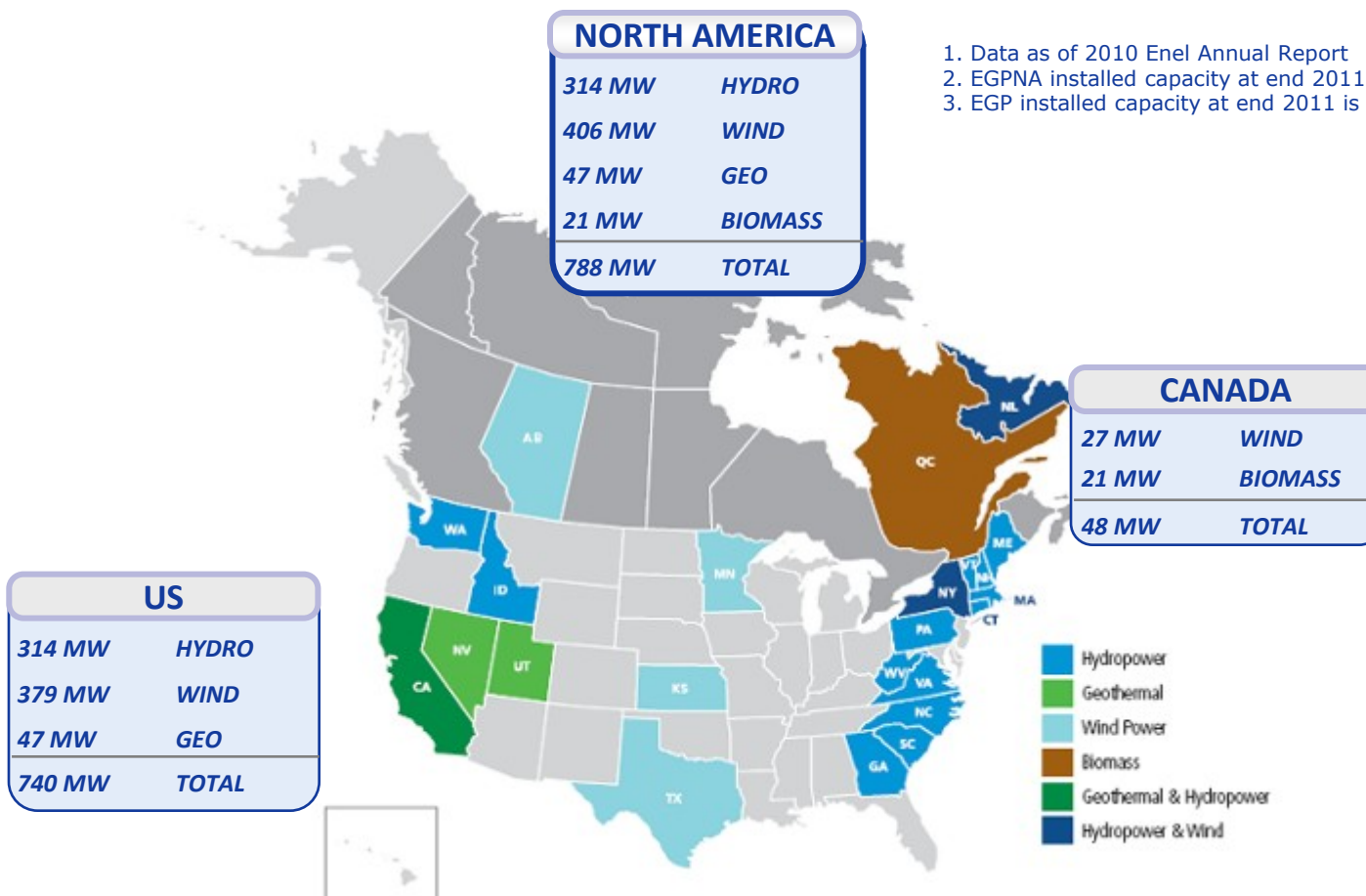


**Unrivalled footprint in 16 countries
across all main renewable technologies**



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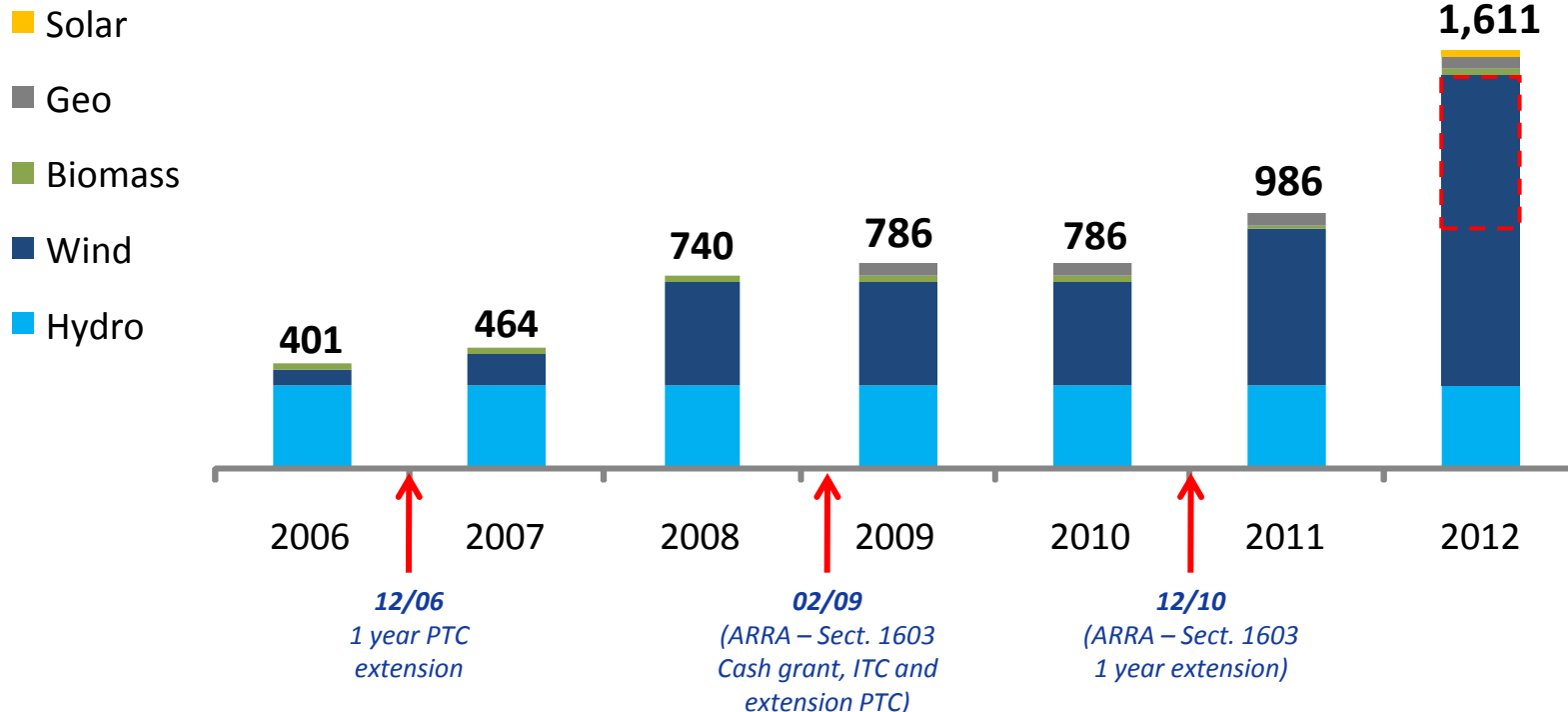
Diversified portfolio across the US and Canada



1. Data as of 2010 Enel Annual Report
2. EGPNA installed capacity at end 2011 is ~1 GW
3. EGP installed capacity at end 2011 is ~7GW

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A successful growth strategy



EGPNA - responsive to incentives in the past



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2013 – Cove Fort geothermal project (Utah)



Technology: geothermal – binary cycle

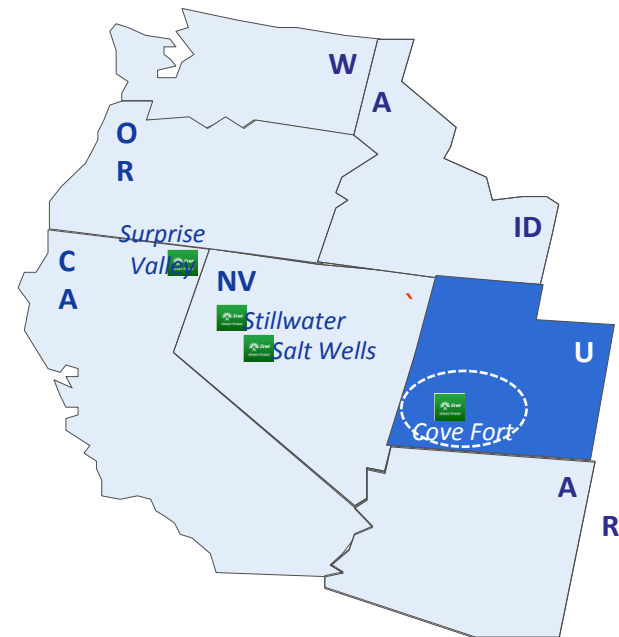
MW: 25 MW gross

COD: 2013

Location: Beaver County, Utah

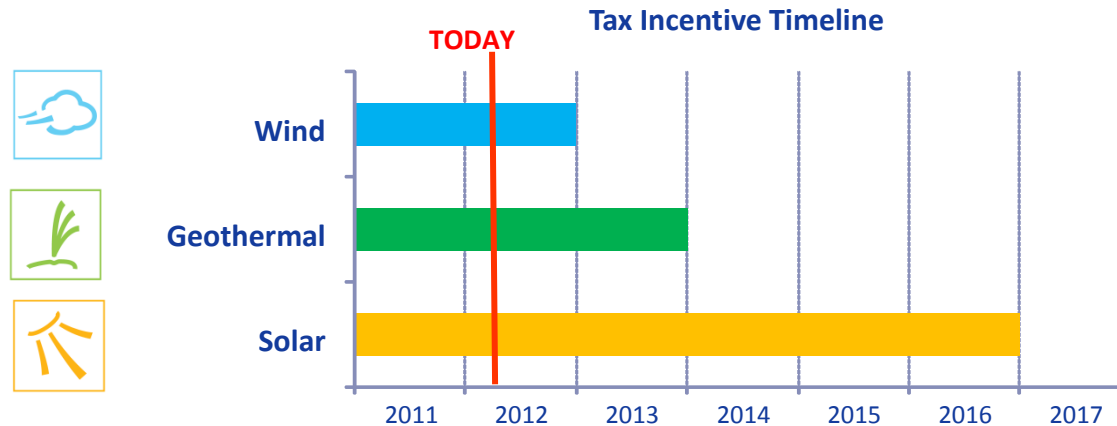
Development stage: Construction ready geothermal project

Project has the potential for an increase in capacity



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Outlook – short term, under current tax legislation



Outlook for 2013-2015



- Acquisition of ready to construct projects until end 1Q2012
- Future industry growth uncertain if tax incentives expire (end of 2012).



- Construction of projects must start in 1Q2012 to assure a COD by 2013 and so capture the cash grant.
- Possible consolidation of the industry



- Significant M&A of big size projects during the last months
- Solar will be the technology of major growth
 - Small projects will pursue the cash grant after strategic procurement in 2011 (safe harbor)
 - Big projects will pursue a tax equity partner for an ITC structure (eventually also small projects)



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Recent initiatives supporting the extension of the PTC

- **Nov. 2, 2011 (HR 3307)** - Reps. Dave Reichert and Earl Blumenauer, members of the House Committee on Ways and Means introduced the “American Renewable Energy Production Tax Credit Extension Act”, which would extend the PTC for all technologies until January 1, 2017. The bill currently has 68 cosponsors
- **Nov. 15, 2011** - The 23-member Governors of the Wind Energy Coalition sent a letter to Congressional leadership urging for the extension of the PTC
- **Nov. 17, 2011** – A coalition of renewable associations sent a letter in support of HR 3307
- **Dec. 2011** - PTC/1603 extension efforts failed when the payroll tax cut extension bill was voted in the Senate for a 60 day extension. Efforts to include the PTC extension in that bill by February 2012, when the payroll tax cut extension expires.
- **Jan. 17, 2012** - President’s Council on Jobs and Competitiveness supports the PTC extension.
- **Jan. 24, 2012** – President Obama in its State of the Union Address asked to “pass clean energy tax credits and create jobs”
- **Feb. 2012** - Sen. Baucus, Chairman of the Senate Finance Committee and Sen. Bingaman, chairman of the Senate Energy and Natural Resources Committee have called for the extension of the PTC in the payroll tax cut extension; Republican Governors Sam Brownback of Kansas and Branstad of Iowa sent letters to Congress in support of the PTC extension.

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Outlook – longer term



Renewables have a long term future despite more challenging market conditions

- Although some states are meeting their RPS requirement for the next years, to address future demand growth there will be a need for more renewable capacity to maintain the “balance” with conventional technologies
- Renewables provides a stable long term price to utilities (no indexation to gas prices)
- Renewables will become more cost competitive (grid parity?) and reliable if we consider:
 - Energy storage allowing for a better use of renewable energy (less intermittency)
 - Higher efficiency and lower equipment cost

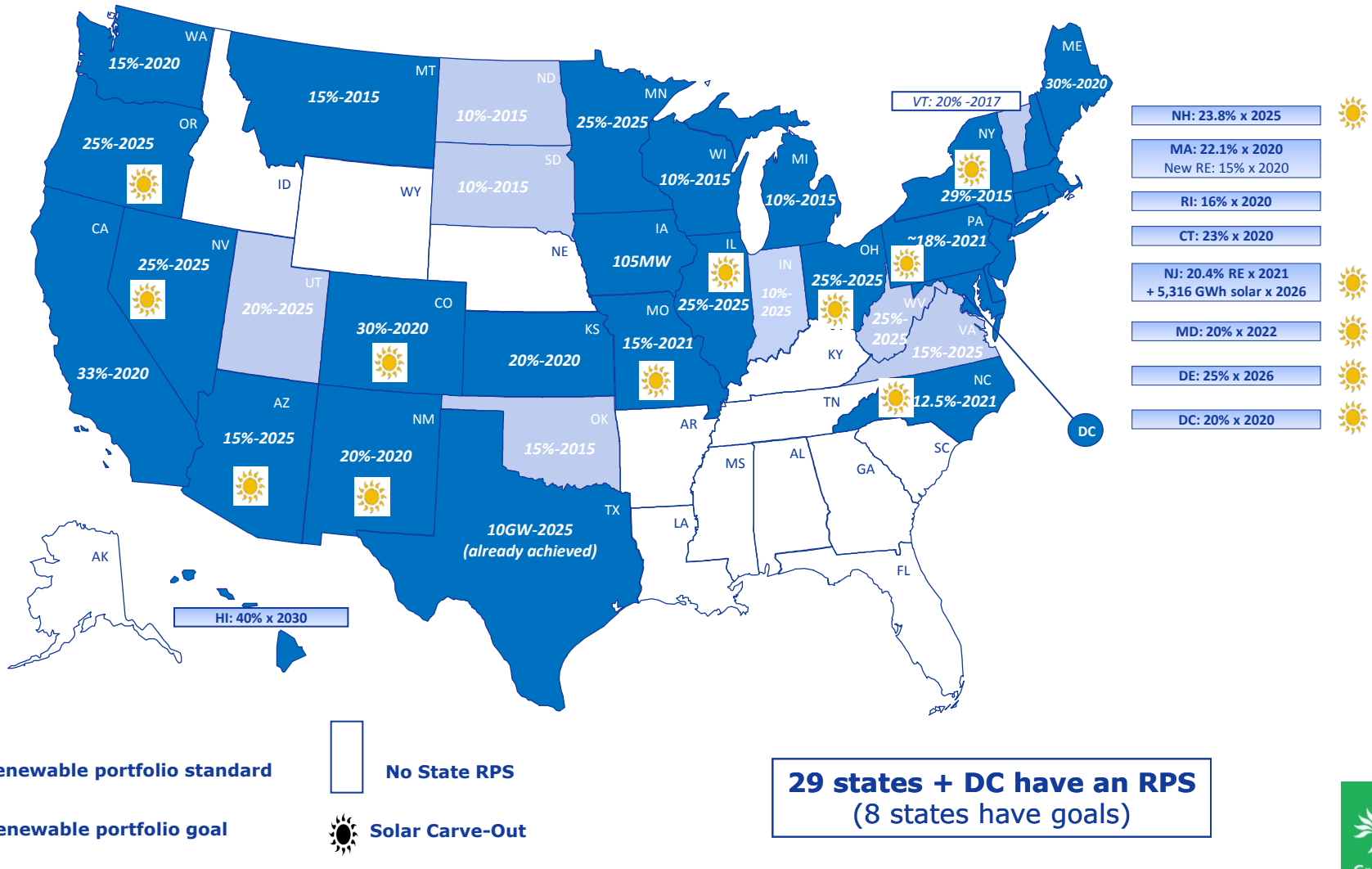
With the right price signal, Enel Green Power will pursue the development of renewable projects in alternative ways

- Develop projects with **new clients**: industrial clients (for instance data centers, Bill SB0012) or the DoD
- Use **energy storage as a complement to existing project sites** (reducing intermittency, transmission constraints, better time-of-day factor)
- Capture synergies through **hybrid projects** (example: Stillwater geo – solar project in Nevada)
- Use **existing infrastructure of decommissioned conventional plants** to develop new renewable projects



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US State renewable portfolio standards



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Profile



David J.A. Post ***Head of Business Development – Region West***

Mr. Post joined Enel Green Power in North America (EGPNA) in January 2011 as Head of Business Development in the West with a specific focus on growing EGPNA's presence across different technologies (geothermal, wind, hydro and solar). Prior to joining EGPNA, Mr. Post was the deputy director of business development and strategy for Endesa in Latin America and in Europe, and occupied several board positions. Mr. Post has an extensive experience in merger and acquisitions as well as in financial restructuring. Prior to joining Endesa, Mr. Post was a Senior Associate at McKinsey & Company. Mr. Post holds an MBA from Columbia Business School (with Sigma Bea Gamma award) and a Doctorandus degree from the Erasmus Universiteit Rotterdam (with special honors)

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**Thank you very
much for your
attention!**

